

Message Text

CONFIDENTIAL

PAGE 01 TEL AV 05270 210027Z
ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 ICA-11 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 COME-00
CIAE-00 DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00
PA-01 HA-05 XMB-02 OPIC-03 /096 W
-----114217 221650Z /70

R 201254Z APR 78
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 2707

CONFIDENTIAL TEL AVIV 5270

E.O. 11652: GDS
TAGS: EFIN, IS
SUBJECT: ISRAEL'S FOREIGN EXCHANGE RESERVES
REPORTEDLY RISE SHARPLY

REF: 77 TEL AVIV A-53

1. BEGIN UNCLASSIFIED: ACCORDING TO PRESS REPORTS
APRIL 20, THE BANK OF ISRAEL'S (BOI) NET FOREIGN EX-
CHANGE RESERVES HAVE RISEN BY \$100 MILLION IN THE PAST
TWO WEEKS TO REACH \$1.490 BILLION. THE REPORTS IN-
DICATE THAT THE RISE IN RESERVES WAS DUE TO HEAVY
DOLLAR PURCHASES BY THE BOI IN THE FOREIGN CURRENCY
MARKET TO KEEP THE POUND FROM APPRECIATING AGAINST THE
DOLLAR. THE SUPPLY OF DOLLARS IN THE MARKET HAS RISEN
BY A SIGNIFICANT AMOUNT, MAINLY DUE TO INCREASED EX-
PORTERS' EARNINGS AND OTHER REMITTANCES. RESPONDING
TO EMBASSY QUERY, BOI OFFICIALS REFUSED TO CONFIRM OR
DENY THE REPORT, POINTING OUT THAT RESERVE FIGURES ARE
CONSIDERED STRICTLY CONFIDENTIAL AND WILL NOT BE RE-
LEASED BEFORE THE END OF THE MONTH. END UNCLASSIFIED

2. BEGIN CONFIDENTIAL:
IT IS LIKELY THAT THE BOI HAS BEEN ACTIVE IN
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THE FOREIGN CURRENCY MARKET IN RECENT WEEKS. AFTER
AN APPRECIATION FROM \$1-IL 16.54 ON MARCH 20 TO
\$1-IL 16.41 ON APRIL 4, THE POUND DEPRECIATED TO
\$1-IL 16.54 AS OF APRIL 19, INDICATING THAT THE
BOI MAY WELL HAVE BEEN BUYING DOLLARS. UNDER A FREE
FLOATING EXCHANGE RATE REGIME, SUCH INTERVENTION ADDS
TO CENTRAL BANK RESERVES. IF THE FIGURE OF \$1.490

BILLION FOR BOI NET RESERVES IS CORRECT, EMBASSY
ESTIMATES ISRAELI FOREIGN EXCHANGE RESERVES USING IMF
METHODOLOGY AT ABOUT \$1.7 BILLION (SEE REFAIR FOR BACK-
GROUND ON THE STRUCTURE OF ISRAEL'S FOREIGN EXCHANGE RE-
SERVES). END CONFIDENTIAL
LEWIS

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 20 apr 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TELAV05270
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780172-0801
Format: TEL
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780434/aaaabcha.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ce5379aa-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
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Previous Handling Restrictions: n/a
Reference: 77 TEL AVIV A-53
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2899680
Secure: OPEN
Status: NATIVE
Subject: ISRAEL'S FOREIGN EXCHANGE RESERVES REPORTEDLY RISE SHARPLY
TAGS: EFIN, IS
To: STATE
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/ce5379aa-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
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